ted into equity share according t_0 the guidelines laid down by Government in 1934;

(C) if so, what are the reasons for putting a sudden ban on conversion *ol* non-convertible debentures in June 198 :

(d) to what extent such an action of Government was in public interest: and

(e) what are the reasons for not putting a ban on the conversion of Joans by financial institutions and thereby making discrimination bet
the two?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) In accordance with the existing guidelines, the institutions stipulate "convertibility clause" ir each case where the financial assistance sanction exceeds Rs. 5 creres. However, no conversion option is stipulated by the financial institutions where th_e aggregate rupee assistance for project finance does not exceed Rs. 5 crores ;ind the combined share, holdings of institutions exceeds 2:S pei cent in the case of non-MRTP companies and 40 per cent in the case of MRTP companies. For purposes ol stimulating "convertibility clause" only rupee assistance is taken into account and the foreign currency loans are kept out from the purview of the guidelines.

(b) to (d) The Government took a decision in June, 1986 that conversion of non-convertible debentures and the non-convertibl portion of partially convertible debentures into equity shares shall not be permitted. Since then no such approval for conversion have been given.

(c) Convertibility of loans given by all India financial institutions and conversion of otherwise of non-conver-iible debentures floated by companies .ore different scheme.

Decline in U.S. aid

1634. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state.

(a) whether it is a fact that the quantum of U.S. aid to India in 1951 onwards was much more than what is received at present; and

(b) if so, what are the main reasons therefor and what steps are being taken by Government to get more aid from the United States?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO); (a) Yes, Sir.

(b) It had been explained by the U.S. authorities that decline in their assistance has been mainly on account of their internal budgetory constraints Our concern at the cut in aid has been conveyed t,o the U.S. side.

Haldia Petrochemicals Project

1635. SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to state;

(a) whether Government have re-examined the financial and other aspects of the proposed $Haldi_a$ Petrochemicals Project in consultation with the State Government of West Bengal; and

(b) if so, what are the results ′ the re-examination?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO); (a) and (b) The JDEI had as a result of its appraisal cf the project at Haldia indicated that ttie i size of the ethylene plant which was part of the project was well below the minimum economic siz_e and as a result the costs of production would f?e